



Department of Justice

FOR IMMEDIATE RELEASE
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**FORMER EXECUTIVE OF ROCHESTER, NEW YORK AREA CONSTRUCTION
FIRM PLEADS GUILTY TO BID RIGGING CONSPIRACY**

WASHINGTON, D.C. -- A former executive of a Rochester, New York utility construction company pleaded guilty today and agreed to pay a \$2,000 criminal fine for participating in a conspiracy to rig bids and allocate contracts on utility construction jobs let by Rochester Gas & Electric (RG&E), said the Department of Justice.

The Department's Antitrust Division, in a one-count felony charge filed today in U.S. District Court in Rochester, said that Thomas J. Abraham, the former director and manager of Joseph A. Abraham Enterprises Inc., and others conspired to rig bids and allocate contracts on certain RG&E utility construction jobs in violation of the Sherman Act. The conspiracy began in 1987 and continued until May 1993, the Department said.

In its first case brought as a result of a continuing antitrust investigation of the utility construction industry, the Department charged that Abraham and unidentified co-conspirators held meetings to discuss the allocation and prices bid on utility

construction services contracts for RG&E and agreed on who would win a particular contract.

Thomas J. Abraham, of Livonia, New York, has agreed to cooperate in the government's investigation. His father, Joseph A. Abraham, also agreed to cooperate in the investigation, and will not be charged. Abraham Enterprises has been out of business since 1995.

Joel I. Klein, Acting Assistant Attorney General in charge of the Antitrust Division, said today's charge arose in connection with an investigation in Rochester and the surrounding area into collusive practices by utility construction contractors. The plea agreement resulted from the ongoing investigation conducted by the Division's New York Field Office with the assistance of the Rochester Office of the Federal Bureau of Investigation and the U.S. Attorney's Office for the Western District of New York in Rochester.

Utility construction involves the repair and maintenance of facilities, such as gas pipe and electrical conduit, for transmitting gas and electricity to customers.

The maximum penalty for an individual convicted of a violation of the Sherman Act is a term of imprisonment of up to three years, or a fine not to exceed the greatest of \$350,000 or twice the gross pecuniary gain the individual derived from the

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offense or twice the victim's gross pecuniary loss from the offense, or both imprisonment and a fine.

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